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January 13, 2004

VIA ELECTRONIC FILING

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Presentation
In the Matter of AT&T's Petition for Declaratory Ruling That AT&T's Phone-to-Phone
IP Telephony Services Are Exempt From Access Charges, WCB No. 02-361;

In the Matter of Developing a Unified Intercarrier Compensation Regime, WCB No. 01-
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Dear Ms. Dortch,

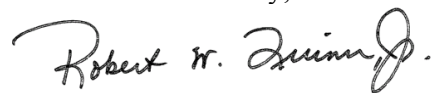
On Monday January 12, 2004, James Cicconi, General Counsel and Executive Vice President of AT&T Corp., and I met with Commissioner Michael Copps and Jessica Rosenworcel, Commissioner Copps' Senior Legal Adviser, to discuss issues related to the aforementioned proceedings. During the course of those discussions, we explained AT&T's plans for IP telephony and urged the Commission not to impose the existing PSTN access charge scheme on VoIP as those regulations would disincent investment in this important new technology. During that discussion, we explained that issues related to universal service and access charge contribution to ILEC profits were better addressed holistically in the intercarrier compensation reform proceeding rather than import the competition distorting access charge regime into this new technology. We explained that the Commission's failure to act in a timely manner in that proceeding (which has been pending nearly three years) was placing undue pressure on the Commission to act in a *very* regulatory manner towards VoIP traffic. We also explained that the Commission must not provide disincentives to backbone providers that will deter them from the process of upgrading and investing to expand their IP capabilities. That investment will

be necessary for the industry to provide a seamless conversion to an IP-based infrastructure that is transparent to end-users.

We urged the Commission to continue the de-regulatory policies that were established in 1998 and reaffirmed in 2001 in the Commission's *Inter Carrier Compensation NPRM*. We reiterated the view that imposition of access charges on VoIP would disincent investment by backbone providers in IP architectures and thus slow investment in this key technology area (contrary to prior Commission policy). Finally, we explained that providers of IP based services were, in fact, compensating all LECs for terminating that traffic pursuant to the interconnection provisions of the Act. Consequently, all LECs were recovering their respective costs plus a reasonable profit for terminating that traffic and that any claim that a carrier was not recovering its costs was an outright fabrication.

The positions expressed in the meeting for each of these areas were consistent with those contained in the Comments, Reply Comments and ex parte filings previously made in the aforementioned dockets. One electronic copy of this Notice is being submitted for each of the referenced proceedings in accordance with the Commission's rules.

Sincerely,

A handwritten signature in black ink, reading "Robert W. Quinn, Jr." with a stylized flourish at the end.

cc: Commissioner Michael Copps
Jessica Rosenworcel